



China Employment Law ALERT

New Work Permit Policy for Expats in China

Seyfarth Synopsis: A new Work Permit Policy (Policy) is being implemented in China. The Policy had been initially implemented from October 2016 to March 2017 through a [pilot program](#) in a number of regions including Shanghai, Beijing, Tianjin, and Shenzhen. Nationwide implementation of the Policy commenced on April 1, 2017.

Policy Features

The Policy consists of two main features: (1) expats working in China will now be issued a single multipurpose “Work Permit”, and (2) expats will be categorized into three different groups that will now affect how easy it is for them to get a Work Permit.

Multipurpose Work Permit

Expat workers in China were classified previously as either (i) foreign employees eligible for an “Employment Permit,” or (ii) foreign employees eligible for an “Expert Permit.” These two permits are now combined into one “Work Permit” that will be assigned to foreign applicants through the issuance of identification (ID) cards with unique ID numbers. Each ID card will belong to one foreign individual for life. Foreign employees with existing work permits may elect to maintain their existing permits until their expiration dates or may convert them to new Work Permits.

Shanghai, assuming a leading role in the Policy, issued its first Work Permit to a faculty member of the SJTU-ParisTech Elite Institute of Technology at Shanghai Jiaotong University in November 2016.

Since the full implementation of the unified application across the country on April 1, the new multipurpose Work Permit Policy has been well received and instituted in more than ten provinces of China.

3-Tier Classification System

Under the Policy, foreign applicants will be divided into three categories based on a scoring system. Credits will be assigned to applicants for Work Permits based on their education, background, salary level, age, time spent working in China, and Chinese

language fluency. Many cities now operating under the Policy have issued local standards for the scoring system.

Category A applies to foreign high-end talent, such as expats selected by China's talent-import plan, expats with internationally recognized awards, leading figures in the science and technology industry, and successful entrepreneurs. There is no limit to the number of expats in this category who may receive Work Permits.

Category B applies to foreign professionals. Examples include workers who hold a bachelor's (or higher) degree and have two years of full time experience related to the work to be performed. The number of expats in this category who may receive Work Permits will vary depending on market demand.

Category C applies to the remaining types of foreign workers, who are typically non-technical or service workers hired on a temporary or seasonal basis. The number of expats in this category who may receive Work Permits is significantly restricted and subject to a quota.

Implications for Multinational Employers

The Policy aims to both streamline current administrative procedures and attract high-end foreign talent to China. Expats whose skills are urgently needed in Chinese labor markets are being encouraged to work in China through the now less restrictive permitting process and easier application protocols.

Multinational employers should note that the Policy is early in the implementation process. Employers should pay close attention to the changing application rules and procedures, and be mindful that when hiring foreign workers in different parts of China the rules will be different.

If you would like further information, please contact Wan Li at LWan@seyfarth.com, Darren Gardner at DGardner@seyfarth.com, or any member of our [International Employment Law Practice](#).

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